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SIPDIS

DEPARTMENT FOR SCA/CEN,OES/ETC, OES/PCI, OES/STC

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SUBJECT: UZBEKISTAN: WATER CRISIS DELAYED BUT NOT AVERTED

REF: A. BISHKEK 593

1B. TASHKENT 604

11. (SBU) SUMMARY. In Uzbekistan the drought of 2008 has not produced the dire consequences that were predicted. In a wide range of meetings with Uzbek officials, we were told that the shortage was predicted in time and that adequate conservation measures were taken. The cotton harvest is predicted to be only modestly below last year's level. Nevertheless, the GOU continues to focus on defending what it sees as its historical right to unconditional access to transboundary water resources. With little sign that the Central Asian states will reach compromise on water and energy issues soon, the prospect for crisis next year remains. All now depends on the severity of the coming winter. END SUMMARY

BACKGROUND

12. (SBU) Drought is a recurrent feature in Central Asia. In Uzbekistan, where irrigation-supported agriculture makes up one third of GDP and accounts for 40 percent of employment, drought can cause severe economic dislocation. According to the World Bank, the prolonged drought of 2000-2001 caused damage amounting to USD 130 million. Farms in downstream Karakalpakstan, Khorezm, and Bukhara provinces were particularly hard hit. In addition to crop losses, there were substantial losses in the livestock and dairy sectors and in seed and fodder supplies. Official GOU statistics also showed a significant increase in infectious diseases -- particularly acute respiratory and waterborne diseases -- in the lower Amu Darya region of Uzbekistan.

13. (SBU) 78 percent of Uzbekistan's irrigation water comes from neighboring Kyrgyzstan and Tajikistan. Unresolved water sharing issues are a persistent source of strain in political relations as Uzbekistan's upstream neighbors have increasingly turned to hydroelectric power to meet their winter energy needs. Tajik President Rakhmon dreams of completing the Rogun Hydroelectric Plant left unfinished from Soviet days. According to "reliable sources," a June report by the Russian Regnum News Agency says that Rakhmon has commented in closed cabinet meetings, "I will bring Uzbekistan to its knees."

TOKTOGUL RESERVOIR: THE UZBEK VIEW

14. (SBU) The Toktogul Reservoir located in Kyrgyzstan is at

the center of Uzbek concerns, which are clearly delineated in an article in the August 13 Uzbek edition of the Russian newspaper "Mir novostey." (COMMENT: That this is an official position is borne out by the fact that, at Uzbek request, the same article was distributed by the OSCE on August 27. END COMMENT)

15. (SBU) Begun in 1968, construction of the Toktogul Reservoir was completed in 1987 in the twilight years of the Soviet Union. According to the "Mir novostey" article, the reservoir has a capacity of 19,500 million cubic meters and is equipped with 4 hydroelectric plants having a cumulative power output of 1200 Megawatts. It is fed by the Naryn River, which over 1974-2007 had an average annual flow of 12,300 million cubic meters; in other words, in the course of a year the Naryn supplies only 70 percent of the water needed to fill Toktogul completely. Thus the flow out of Toktogul into the Naryn and, downstream, into the Syr Darya, is almost completely controlled by Kyrgyz decisions on when and how much water is released from the reservoir.

16. (SBU) The Uzbeks say that prior to 1991, when Toktogul was under centralized Soviet control, an average 3150 million cubic meters of water were released in the October-March winter season, and 8510 million cubic meters -- nearly 2.7 times as much -- were released in the April-September growing season. In 1991-2000, however, the winter releases increased to an average of 7400 million cubic meters, reaching a peak of 8750 million cubic meters in the winter of 2007-08. Meanwhile, the summer releases have dropped to an average of 5300 million cubic meters, such that the summer versus winter water release cycle today is the reverse of what it was in Soviet times. Worst of all, according to the Uzbeks, the winter releases now exceed the natural flow of the Naryn River to an unacceptable degree. In winter of 2007-08, for example, the Uzbeks claim that release from Torgotul exceeded in-flow from the Naryn by 5000 million cubic meters. (COMMENT: Simple calculation indicates a number closer to 2750 million cubic meters. END COMMENT)

17. (SBU) The Uzbeks claim that the Kyrgyz now operate Torgotul in an "energy regime" and complain that Kyrgyzstan is releasing water in the winter to generate electricity for domestic use without taking into account environmental needs or the needs of its downstream neighbors. (COMMENT: What is missing from Uzbek accounts is acknowledgment that in Soviet times Uzbekistan provided Kyrgyzstan with cheap natural gas and electricity during the winters but now charges near market prices that the Kyrgyz say they are unable to afford (Ref A). END COMMENT) The Uzbeks further maintain that by September of this year the volume of water in Torgotul will be only 9600 million cubic meters, which is dangerously close to the reservoir's "dead volume" of 5500 million cubic meters. According to the Uzbeks, even if measures were taken immediately, it would take six years to return at Toktogul to its pre-1991 state, when the reservoir was operated in the "irrigation regime" that the Uzbeks prefer.

WATER MANAGEMENT BODIES

18. (SBU) A number of national and intergovernmental organizations have been created since 1991 to manage water resources in Central Asia. In July and August we visited a number of these bodies to learn their point of view on water management and, in particular, on the impact of this summer's water shortage.

Interstate Commission for Water Coordination

19. (SBU) Established by the 1992 Almaty Agreement on Cooperation in the Management of the Use and Protection of Water Resources from Interstate Sources, the Interstate Commission for Water Coordination (ICWC) is the principal intergovernmental mechanism for coordinating water management policy. The ICWC operates through a ministerial-level

Commission, a Secretariat, a Scientific Information Center (SIC), and two River Basin Organizations, one for each of the transboundary rivers, the Amu Darya and Syr Darya. As such, the ICWC is the official body for agreeing on water allocations between the five Central Asian countries. The ICWC Commission holds quarterly meetings to consider water management issues and decides on water limits for each member country. Headquartered in Tashkent with branches in each of the basin states, the SIC collects and distributes data on water resources in support of the Commission. (Ref B provides further background on the ICWC.)

¶10. (SBU) We met with SIC Director Dr. Victor Dukhovny on July 17. After telling us that "old Soviet rules are still in force and followed," Dr. Dukhovny loudly criticized the Kyrgyz Government's excessive release of water from Toktogul last winter "in defiance of limits agreed to by the ICWC." Showing little sympathy for winter energy shortages in Kyrgyzstan, he said the Kyrgyz need first of all to address the inefficiency of their transmission lines, which he claimed lose 42 percent of the generated electricity before it reaches its end users. This, rather than a winter "energy regime" at Toktogul, is what Dr. Dukhovny says will solve Kyrgyzstan's energy crisis, and he added that the same applies to Tajikistan.

¶11. (SBU) Dr. Dukhovny continued that Uzbekistan had refused to sign a trilateral water sharing agreement with Kyrgyzstan and Kazakhstan this year because of Kyrgyzstan's intention to charge USD 0.05 per kWh for the electricity it exports to Uzbekistan and Kazakhstan. According to Dr. Dukhovny, this price is affordable to Kazakhstan but not to Uzbekistan.

¶12. (SBU) Dr. Dukhovny concluded by saying he expected climate change to cause more frequent droughts. If current trends continue, he told us that by 2025 the average per capita water availability in Central Asia would drop to 1300 cubic meters per year from its current level of 2500 cubic meters.

Syr Darya Basin Water Organization

¶13. (SBU) The Syr Darya Basin Water Organization (BWO) is charged with implementing ICWC decisions on water distribution to each of the Syr Darya basin states: Kyrgyzstan, Tajikistan, Uzbekistan, and Kazakhstan. In cooperation with national branches, it operates a cascade of reservoirs on the Syr Darya.

¶14. (SBU) In a meeting on July 16, Syr Darya Technical Department Head Alexander Lektionov told us that the need for agreement between all member states makes the Syr Darya one of the most difficult basins in the world to manage. He continued that a May 29 ICWC meeting in Bishkek had agreed to reduce water allocations by 10 percent and 35 percent in the Amu Darya and Syr Darya basins, respectively, for the remainder of the 2008 growing season. Hence his organization was charged with recalculating and implementing water releases in accordance with the ICWC resolution.

Uzbek Hydrometeorological Service

¶15. (SBU) The Uzbek Hydrometeorological Service (UZHYZDROMET) collects data on a daily basis from 87 meteorological and 120 hydrological stations, numbers that are sharply lower than in Soviet times. Through an agreement signed in 1999, UZHYZDROMET shares its data with corresponding services in all other Central Asian countries except Turkmenistan. UZHYZDROMET is the official national body representing Uzbekistan on issues related to climate change.

¶16. (SBU) On August 13 we met with UZHYZDROMET First Deputy Director Bakhtiyor Kadyrov, who told us his agency understood as early as February that this would be a severe drought year. As a result of this early warning, he said the Uzbek Government had been able to take timely water conservation

measures. Thus although overall there is a 32 percent shortfall in the water supply this year -- much more than in 2001 -- the economic effects of this year's drought should be comparatively mild. Overall he predicted that the yield from this year's cotton harvest would be only 6 percent below last year's level.

International Fund for Saving the Aral Sea

¶17. (SBU) Founded in 1993, the International Fund for Saving the Aral Sea (IFAS) was created to attract funds for Aral Sea related projects under the Aral Sea Basin Program (ASBP). IFAS chairmanship rotates every three years among the Presidents of the Central Asian countries and is now in the process of passing from Tajikistan to Kazakhstan. Its Board is comprised of Deputy-Prime Ministers in charge of water, agriculture, and environmental portfolios. IFAS maintains its Executive Committee (EC IFAS) as a standing body that provides general ASBP management. (COMMENT: Trust in IFAS has eroded through the years due to frequent and continued internal conflicts and poor project management. END COMMENT)

¶18. (SBU) Mr. Usman Buranov, Chairman of the Uzbek Branch of IFAS, acknowledged to us in a meeting on July 15 that the organization has been unable to reconcile competing country interests. On issues related to transboundary water management, Mr. Buranov defended the Uzbek position by accusing Kyrgyzstan and Tajikistan of taking unilateral actions that weaken regional cooperation. He continued, however, that Uzbekistan has learned how to survive drought periods by making more efficient use of the water that is available. Indeed, he boasted that Uzbekistan is now able to get almost the same crop yields in drought years that it sees in years of normal precipitation.

THE VIEW FROM SWITZERLAND . . .

¶19. (SBU) Swiss foreign policy defines water management as a security concern in Central Asia, in particular after the drought of 2000-2001. Consequently, the Swiss Government operates one of the largest water programs in Central Asia with projects ongoing in Kyrgyzstan, Tajikistan, and Uzbekistan. Switzerland maintains permanent offices in Tashkent, Bishkek, and Dushanbe.

¶20. (SBU) On July 16 we met with Omina Islomova, a Regional Program Officer at the Swiss Cooperation Office in Tashkent. Ms. Ominova told us about the Integrated Water Resources Management project in the Ferghana Valley Project, which has proven that it is possible to reduce water consumption in irrigation by 35 percent without any major investment. The project revealed that 50 percent of water loss in the Ferghana Valley is due to poor management and administration, and the remaining half is a result of a deteriorating infrastructure. Amongst its other projects, the Swiss are funding a canal automation program and are looking to launch a new small grants program that will focus on water users associations in the Ferghana Valley. Ms. Ominova told us that although historically the drought cycle in Central Asia has been twelve years, climate change has shortened it to five.

. . . AND FROM THE WORLD BANK

¶21. (C) World Bank (WB) country director Loup Brefort and chief economist Iskander Trushin summarized the current situation nicely when they told us on August 28 that although there is less water than normal this year, water levels are not so low as to harm the harvest significantly. This corroborates what we had been told in our earlier meetings, namely that the Uzbeks had had adequate warning and had taken timely measures to improve efficiency and increase conservation. According to Brefort, one of those measures

has been to keep more of the available water in Uzbekistan and not to release it to the most downstream country, Kazakhstan. Agriculture in Chimkent and other regions of southern Kazakhstan dependent on the Syr Darya are suffering more than agricultural regions in Uzbekistan.

¶22. (C) In the view of the WB Tashkent office, although Uzbekistan has averted a water crisis this year, the potential for a major crisis next year still looms large. As of August the Toktogul Reservoir is only at 47 percent capacity. If Kyrgyzstan releases as much water for energy generation this winter as it did last year, by March the Toktogul could be depleted to its "dead level," the level below which no water can be released from the reservoir. In the WB view, the only way to discourage Kyrgyzstan from this course of action is to ensure an adequate and affordable supply of natural gas.

COMMENT: WITH OUR OWN EYES

¶23. (SBU) We had a chance to think about everything we had heard as we made our own trip to the Ferghana Valley on September 3-5. With our own eyes we saw that the South Ferghana Canal contains only a minimal amount of water in some places and is bone dry in others. The secondary canals that we saw were completely dry, and workers were taking advantage of the dryness to carry out repair work.

¶24. (SBU) At the same time, the fields are full of cotton, and the harvest is in full swing. We were told on several occasions that drinking water may be a problem for the next several weeks but that there had been adequate irrigation water available for the cotton crop. At a meeting of heads of Ferghana water users associations, however, we were asked repeatedly what the U.S. is doing to influence Kyrgyzstan to return to a summer "irrigation regime" of water releases, and some expressed concern that there might not be sufficient water available for the autumn wheat growing season.

¶25. (C) On the morning of our departure, a light rain began to fall and continued for nearly an hour as we approached the mountain pass leading back to Tashkent. Indeed, this was the first rain we had seen since spring. Almost every Uzbek official we had spoken with over the past two months had pointed an accusing finger at the water policies of Kyrgyzstan and Tajikistan; we had heard no willingness on the part of the Uzbeks to compromise and reach a regional water management and energy solution. Thus our assessment coincides with that of the World Bank. A crisis may have been averted this year, but the potential for crisis next year remains. Indeed, on September 8, citing unpaid debts, Uzbekistan cut its gas exports to Tajikistan by 40 percent.

¶26. (C) The next quarterly meeting of the ICWC Commission will take place in Almaty in late September. (NOTE: The ICWC Commission normally operates at the ministerial level, but the Kyrgyz Ambassador has told us he expects this next meeting could involve presidential participation. END NOTE) If the ICWC does not produce an acceptable compromise, all will depend on the severity of the coming winter.
NORLAND